THE SENATE
THIRTY-THIRD LEGISLATURE, 2025
STATE OF HAWAII

S.B. NO. 1539 S.D. 1

A BILL FOR AN ACT

RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that the Waiahole water system, also referred to as the Waiahole ditch irrigation system, was constructed between 1912 and 1916 to irrigate sugarcane fields on the western side of Oahu and consists of a twenty-six-mile-long transmission system of ditches, tunnels, siphons, and reservoirs that provides a source of irrigation water to local farmers from the windward side of Oahu. The system diverts approximately twenty-seven million gallons of water per day from the windward to the leeward side of Oahu.

The legislature further finds that, in 1998, the agribusiness development corporation was authorized to acquire, administer, operate, maintain, and improve the Waiahole water system to protect a vital natural resource and to ensure the expansion of diversified agriculture in the State. As part of the acquisition, the agribusiness development corporation was required to reimburse the State for part of the acquisition costs. This continued debt, however, burdens the corporation

and hinders its ability to maintain and improve the efficiency of the system.

Accordingly, the purpose of this Act is to appropriate funds to the agribusiness development corporation to offset the financial burden of reimbursement of debt service.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of $4,411,426.49 or so much thereof as may be necessary for fiscal year 2025-2026 to be deposited into the Waiahole water system revolving fund.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of $426,370 or so much thereof as may be necessary for fiscal year 2025-2026 and the sum of $427,172 or so much thereof as may be necessary for fiscal year 2026-2027 for the reimbursement to the state general fund of debt service on reimbursable general obligation bonds, including ongoing expenses related to the issuance of the bonds.

The sums appropriated shall be expended by the agribusiness development corporation for the purposes of this Act.

SECTION 4. This Act shall take effect on July 1, 2050.

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Report Title:
Agribusiness Development Corporation; Waiahole Water System; Debt; Appropriations

Description:
Appropriates funds to offset the debt for the Waiahole Water System. Effective 7/1/2050. (SD1)

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